

Not Yet
Approved

**WALLINGFORD REGIONAL SOLID WASTE PROJECT
POLICY BOARD**

**MINUTES FOR THE MEETING ON January 13, 2016
9:00 A.M.
WALLINGFORD TOWN HALL, ROOM 315**

A Meeting of the Policy Board of the Wallingford Regional Solid Waste Project was held at the Wallingford Town Hall on January 13, 2016. Present at the meeting were William Dickinson, Mayor of Wallingford; Larry Kendzior, City Manager of Meriden; Louis Zullo, Personnel Director-Assistant Town Manager of Cheshire; Craig Cesare, Public Works Director of Hamden; and Lynn Sadosky, Public Works Director of North Haven.

Others in attendance were: Don Roe and Susan Schott, Town of Wallingford; Joe Vitale and Mary Ruder of Covanta.

The meeting was called to order at 9:05 a.m. by Craig Cesare.

- I. **A motion was made by Larry Kendzior and seconded by Mayor Dickinson to approve the minutes from the following meeting: October 14, 2015 WRSWP Meeting. The motion was approved. Craig Cesare abstained as not being part of that meeting.**
- II. **Project Update**
 - A. ***Report on Waste Volumes and Plant Operations***

Mary Ruder referred to the tonnage report (Attachment 1) and reported that waste volumes have decreased significantly (41.8%) relative to this period last year; some of this is attributed to commercial volumes being down. Joe Vitale stated projections for the first quarter of 2016 is 12,000 tons. He further stated that due to the decrease in volume and limitations in State capacity during the upcoming quarter, they would anticipate an increase in the commercial rate April 1, 2016. Bridgeport, Bristol, Lisbon and Hartford would be in outage, forcing Covanta to take waste out-of-state, which increases their cost. By way of additional explanation, Mr. Vitale also stated that energy prices are higher in the winter, when volume is lower, so the plants have now pushed their outages to a time (after April) when energy prices would be lower. He stated that while the State has a capacity of 2.2 million tons, the tonnage is not distributed evenly throughout the seasons.

Mr. Vitale stated they recently met with Commissioner (Robert) Klee at the State regarding this unbalanced volume flow, and mentioned that without an energy plan, this would continue. Mr. Vitale said the Bristol facility nearly closed last year due to being over capacity, but they were granted a variance. If not for the variance, Mr. Vitale said they had nowhere else to transport waste. He continued that without legislation, there could be other facilities that must close due to being over capacity.

B. Enforcement Activities

Ms. Ruder reported that Covanta had no issues of enforcement activities within the standard daily inspections. She said the haulers were doing a great job meeting the requirements.

C. Environmental

Ms. Ruder She stated there were no environmental issues.

D. Update on Permit Status

Ms. Ruder stated that Covanta should receive a draft application for their transfer station permit by the end of the week. It will then be forwarded to DEEP within the next couple of weeks. She said they were currently working under a modified permit.

E. Discussion & Possible Action re: Reset

Mr. Vitale stated that in order to keep the facility open and possibly mitigate some of the pricing issues, he would like to meet with each of the towns to discuss the volumes that ran through those facilities. He mentioned discussing each Town's streams and/or possibly taking different streams, such as C&D or recycling, from the towns, in order to increase volume through this facility by taking some of those streams, in order to make this work. He stated that they had a fixed operating contract, and if more volume came through the facility, that number could be reduced. He said changes could happen whenever contracts expired, or maybe within the next three years. Mr. Kendzior questioned Mr. Vitale wanting to increase the volume (due to higher cost), yet at the same time discourage higher volumes by increasing the commercial cost. Mr. Vitale said that if they looked MSW streams individually, then looked at capacity versus where the materials came from, that was one cost. He gave as an example that there may be an opportunity to have e-waste from more communities in the state brought to the facility, thus reducing cost to move material. He said he'd had an opportunity to contract with a facility in New Jersey to move all of the Bristol area's e-waste there. The deal fell through because at the time, Covanta did not have a transfer station permit. Mr. Vitale stated that now that Covanta had a transfer station permit, there was a possibility of recycling single stream material out of state, thus volume of streams, while at the same time increasing rates, which in effect, would guarantee rebates. He added that he was searching for a way to make the system work. Mayor Dickinson queried that the reason for the increase in commercial cost was to cover Covanta's cost of taking the waste out of state since there was no other place to take the volume, and that they were hoping the commercial tonnage would not change, even though the price will be higher. Mr. Vitale stated that was correct and that the commercial haulers would have limited places to go. Mayor Dickinson stated that the increase just cover Covanta's cost in transporting out of state. Mr. Vitale said it would along with covering any potential reset. He added that in order to stay within the facilities budget, any decrease on disposable cost and transportation had to be made up in price. Ms. Sadosky questioned that if the price rose in April, would it be for only the period of outage that he foresaw, or would it remain? Mr. Vitale said he could not commit to a price rollback, but they did need more volume through the facility to make it work. Mayor Dickinson asked if Mr. Vitale would be notifying the haulers. Mr. Vitale stated he would notify the haulers after a decision was made whether to increase the fee or not.

Don Roe said the reset issue was in the Policy Board's court at that point. Mayor Dickinson stated they could continue discussion on the reset or accept the offer. He said his perception was it would be a costly exercise to go through and questioned what the opportunities would be for success. Mr. Kendzior stated he felt the Board may need to have conversation without representatives from Covanta present. Mr. Cesare and Ms. Sadosky indicated that this item was not on the draft agenda they received and were not prepared for the item. The Policy Board did not discuss the reset at this time.

III.

Legislative Overview

A. Expected Product Stewardship Legislation – batteries, carpet, tires

Don Roe stated he was not giving a report on this specific item, but that it is tied into item "C", under the Project Coordinator's Report: the CT Recycling Conference, being held on January 27, 2016. Mr. Roe handed out the agenda and a registration form (Attachment 2) for the conference and said it might be beneficial for Towns to send a representative. He stated the registration costs would be covered by the project. Mr. Roe added that the focus would be on how the State would achieve 60% recycling, specifically, organics diversion and product stewardship. He said it will be an opportunity to get an update on these items from DEEP. Mr. Roe stated there was an organic diversion law on the books, and when a covered entity fell within a 20 mile radius of a processing facility, they were obliged to deliver any organic waste there. He gave an example of a grocery store, or any commercial facility, being included in who would have to divert their organic waste to the facility. Mayor Dickinson noted that it would affect the commercial waste stream.

Referring to the Purchase Power Agreement, Mayor Dickinson voiced his concern of turning to electric rates to solve other problems. He said CT has at least the second highest, if not the highest, energy costs in the country and adding to electric bills was affecting the economy. His concern was that due to CT having such high energy costs, many businesses were either leaving or folding, and no large businesses were coming to the State. Mr. Vitale stated this was in context of the Hartford facility having an RFP out. He said there are two streams of revenue for a project: inbound and outbound. He added the RFP was held on the price aimed at \$70 a ton. He said that at that level, with private investment for the facility, one of the questions became: with the price of electricity at \$40 a mega-watt, how to make that project work; questions whether DEEP still supports energy from waste. Mr. Vitale said if DEEP did not, something had to change because for private investment of the facility, tip fees would need to be \$110 on the inbound for the system to work. Mayor Dickinson questioned if the cost needed to be in the price per ton, then that was where the cost should be. In his opinion, Mr. Dickinson felt this would destroy the ability for the State to have a healthy economy. Mr. Vitale said that as a forewarning, and one thing that kept everything fairly in balance today, in terms of measuring not going out of state, and one of the issues was that the out of state disposal sites of Chickapee and Southridge may not be available in the next five years as disposal options from a landfill prospective. Sites in Pennsylvania and Seneca Park, New York would still be available. He added that once EFW was gone, there would be no incentive for tip fees to be less than \$100. Mr. Vitale said it was something that DEEP would have to decide. Mr. Roe stated that if the starting point was to take care of MSW within state borders, then the method of putting a charge on the inbound ton only would drive the trash out of state, because it would be cheaper to

haul trash to Pennsylvania. He said this was the dilemma facing environmental regulators because State law is oriented to the provision of taking care of solid waste in state. Mayor Dickinson said ultimately, with the waste staying in state was that there will be fewer people and no businesses staying in CT. Mayor Dickinson felt that energy should not be under DEEP; it combined two things that should not be combined together. He also felt this was detrimental to the State's economy.

Mr. Roe stated that Mr. Vitale had mentioned an item not in the agenda, which was the update on the RFP for MIRA. Mr. Vitale stated the submissions were due in March which would be the first phase of the submissions. Phase two would happen sometime in July. He added the project was slated to be refitted or rebuilt by 2022.

IV. Solid Waste Management Best Practices/Emerging Trends

A. *New Covanta Projects*

Mr. Vitale stated Covanta had been approved for a contract to build a bio-gas facility in Maine. He said he had spoken with Tom Lyons. Mr. Lyons told him that the project was less than certain to be built, but there was the option and a proposal for it. In addition, he said that two Covanta bio-gas facilities had been closed in Maine, due to the price of fuel.

V. Reserves

A. *WRSWP Interlocal Reserve Account Update*

Mr. Roe stated that the Finance office did not at present time, have the December balance for the Reserve Account; however, they had supplied a balance through November 30 of \$2,014,713.76. He added that when received, the December balance would be sent to the appropriate finance officials.

VI. Project Coordinator Report

A. *Transfer Act Escrow Fund Update – Final Disbursement from MIRA*

Mr. Roe said each community should have received the December disbursement from MIRA. He added that each community should have received a letter which identified their interest in communities reconsidering MIRA as an option.

B. *Organic Recycling Facilities Update- turning Earth, Southington Facility*

Mr. Roe stated the Southington facility for organics recycling permit was published November 20, 2015. He did not get a call back from DEEP on whether a public hearing would be required for the permit or what the process of going forward would be. He said if there were enough requests for a public hearing, that would create one schedule, and if there were no requests, the schedule to go forward would be shorter for DEEP to issue the permit.

Mr. Vitale stated that the permit was being "fast-tracked" with DEEP because DEEP wanted this to happen in order to meet their recycling goals. He said there probably would be a public hearing; however, this facility was on a site that was already a compost site, making it somewhat approved for that type of material coming in. He said

the same company had already won a bid for composting at the West Hartford site and their transfer station. He said he had spoken with the Turning Earth people yesterday and they were in the final stages of their permit. Both facilities optimistically expect to be operational by the end of 2016. He mentioned both West Hartford and Turning Earth facilities happened to be at the same location, which cut down on the radius.

Mr. Roe questioned how DEEP would roll out the requirement that then gets visited on those who are producing a certain level of organic waste. Mr. Vitale stated there was no enforcement in place or anticipated, but that the challenge would be to get material that was not already being separated and going out of state back to the facility. He said the facilities handled fats, oils and greases, which could be an opportunity for restaurants to put out containers of those materials. He said Turning Earth had a different mix of yard waste and Quantum Power was all food waste. Both were confident they could get enough volume (140 tons per day), which would probably come out of the commercial stream. They also felt that despite being exempt, there could be opportunities from colleges and hospitals that had shown interest in separating out these materials. Mr. Roe stated Yale, Choate and other prep schools had been doing that for years. Mr. Vitale said there were more institutional facilities who were interested in the program due to the fact of the differential in trash price versus compost price. Mayor Dickinson questioned if there was a way to analyze if this could be successful without enforcement and if there were those who found the market pressures enough to have them comply without enforcement. He asked if there would be no enforcement by the State, because of the cost of that enforcement. Mr. Vitale said he had encountered this situation for the past two years. He stated that the problem on the commercial side was that there was additional cost to be able to separate materials; ie: separate containers, separate routes. He added that if the materials were already separated, it was just a matter of directing it to different facilities. He said that on the commercial side, the delta had to be fairly substantial between what they were paying for MSW and for what they would pay for compost. He said for them, tip fees would not cover the cost difference to have separate containers and routes. He added that enforcement would be difficult due to many containers with mixed materials and questioned how they would measure how many tons of each material was in each container. Mr. Vitale felt that at the levels they were talking about, they would get the volume they needed. Mr. Roe stated it was speculated that DEEP would push enforcement down onto local communities. Mr. Vitale agreed, adding that the local communities did not have the appetite for enforcement. Mayor Dickinson questioned where the money would come from to pay for local enforcement.

C. *CT Recycling Conference – January 27, 2016*

Mr. Roe stated this item had already been covered earlier in the meeting. Everyone had received handouts for this conference. He asked the board members to get back to him on Town participants.

D. *Update on Project Coordinator Position*

Mr. Roe stated the Project Coordinator Position was advertized in both the Hartford Courant and New Haven Register over the last weekend. He said the target was to have the position filled prior to the April Policy Board meeting. Mr. Roe stated if the advertisements did not produce any response, he would look to advertize elsewhere in

the State. He thanked Lynn Sadosky for her assistance in posting the job on the list-serve for public works and said the position was posted on the recycle list-serve. He asked the members if they knew of other options to advertize to let him know. Mr. Roe said there was one response from the public works list-serve. Mayor Dickinson questioned if using a consulting firm would be an option. Mr. Roe answered they may consider splitting the position into two parts: one technical and one clerical. He said that Doreen Zaback had taken on the clerical side of the position herself, but for the future, splitting the position may be beneficial, especially since there had not been much response to date. Mr. Roe questioned if the Board felt if it would be beneficial to split the position and if a proposal should be drafted for this change. Mr. Kendzior felt it would be a difficult position to fill. Mr. Roe stated he would look to develop specifications to solicit a consulting company and to get to Policy Board members by late February.

E. Other

Mr. Roe stated there was an additional handout regarding the State conducting solicitations for recycling grants. It also included an article on which communities were awarded grant money and what they did with that money. He said the application was due February 1, 2016.

VII. Next Meeting

The next meeting of the Policy Board will be held April 13, 2016.

VIII. Adjourn

Larry Kendior made a motion to adjourn, Mayor Dickinson seconded. The meeting was adjourned at 9:46 a.m.

Susan Schott
January 14, 2016